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Financial Management

FINANCIAL ANALYSIS



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This publication implements Air Force Policy Directive 65-1, *Management of Financial Services*. It delineates requirements and duties of Financial Management (FM), Responsibility Center Managers (RCM), resource advisors (RA), and cost center managers (CCM). It establishes the 70 IW FM, Financial Working Group (FWG) and Financial Management Council (FMC) for Wing Staff only. It outlines and implements procedures in AFI 65-601, Volume I, *Budget Guidance and Procedures*; AFI 65-601, Volume II, *Budget Management for Operations*; AFI 65-601, Volume III, *The Air Force Budget Corporate Process*; AFI 65-201, *Management Control Budget Management for the Collocated Service Cryptologic Elements (SCE) Memorandum of Agreement*. This Operating Instructions (OI) applies to all personnel assigned or attached to the 70 IW. It does not apply to the Air National Guard or Air Force Reserve Command Units or members.

SUMMARY OF REVISIONS

Paragraph 1., that explained membership and duties are in AFI 65-601, Vol II, Chapter 1, not Chapter 2. 70 IW/FM uses the Financial Management Committee (FMC) instead of the Financial Management Board (FMB) concept. Paragraph 4. (FMB) has been deleted. A bar (|) indicates change from the previous edition.

1. General: The Wing instruction prescribes the membership and duties of the FMC and FWG as identified in AFI 65-601, Vol II; Chapter 1. The FWG manages day-to-day operations of each staff centrally managed account (for example Civilian Pay and Contingency). The FMC will review recommendations by FWG at which time they will approve or disapprove any recommended action. The FMC has final approval to realign funds to cover mission requirements and has full authority to approve financial plans, spend plans and funded requirements.

2. FM Responsibilities:

2.1. Comptroller and Budget Officer:

- 2.1.1. Reviews, validates, and balances the financial plans to ensure successful FM.
- 2.1.2. Actively reviews financial programs for each of the responsibility centers reporting directly to the commander.
- 2.1.3. Improves resource management by inquiring about program conditions, reviewing causes, weighing alternatives, and directing action.

2.2. Financial Manager: The financial manager supports the 70 IW staff agencies' and groups' missions by providing sound FM advice to the commander and financial managers at all levels. The FM:

- 2.2.1. Provides the overall status of funds and acts as an advisor and recorder during meetings of the FMC.
- 2.2.2. Promotes responsible and proper FM throughout the 70 IW to ensure the economic and efficient use of resources consistent with regulatory requirements and higher headquarters' directives.
- 2.2.3. Applies policies and procedures enabling the organization to carry out accounting, budget, and cost functions.
- 2.2.4. Provides resource management training to RCMs, RAs, and assist with training of CCMs.
- 2.2.5. Hosts FWG, FMC and closeout meetings with appropriate membership. Schedules FMC meetings at least quarterly, prepares minutes of meetings, and provides copies to FMC and FWG members.
- 2.2.6. Work with XP (Plans & Programs) to staff unfunded requirements to meet Resource Advisory Panel (RAP) and Corporate Board (CB).
- 2.2.7. Monitors and maintains the Automated Business Services System (ABSS).

2.3. Resource Control Manager (RCM): Division Chiefs are, by virtue of their positions, designated as RCMs. Division chiefs may reallocate any approved funding without prior approval of the FMC or any of the RCMs. The RCM:

- 2.3.1. Plans, directs, and coordinates subordinate organization activities.
- 2.3.2. Obtains, reviews, and maintains management oversight of subordinate units.
- 2.3.3. Integrates requirements into a responsibility center operating budget.
- 2.3.4. Justifies requirements before the FMC meeting reviews.
- 2.3.5. Determines proper distribution of approved financial plan.
- 2.3.6. Analyzes spend plan performance and identifies imbalances.
- 2.3.7. Briefs status of funds at the FMC.
- 2.3.8. Appoints RAs in writing and provides FM a copy of the appointment letter.

2.4. Resource Advisor (RA) is an individual appointed in writing by the respective division RCM to assist in FM of that division's budget. RAs:

- 2.4.1. Act as financial advisors to their RCMs and are non-voting members of the FMC: Train and assist CCMs.
- 2.4.2. Consolidate financial plans for their respective divisions.

- 2.4.3. Help develop obligation and expense targets.
- 2.4.4. Monitor the use of resources in daily operations.
- 2.4.5. Assist the FM during fiscal year-end closeout and brief status of funding and issues surrounding programs at FWG.
- 2.4.6. Understand the use of management reports from the Microbased Budget Automated System: Operating Budget Ledger and Open Document List. Provide FM in writing all reprogramming actions.
- 2.4.7. Interprets management reports and recommend necessary management actions to the RCM.
- 2.4.8. Schedule International Merchant Purchase Authorization Card (IMPAC), Federal Automated System of Travel (FAST) and ABSS training for individuals on an as needed basis.
- 2.4.9. Brief RCM status of funds and recommendations from FWG meetings.
- 2.4.10. Review, validate and approve documents processed through ABSS and FAST.
- 2.4.11. Ensure applied fund cite data is correct on financial documents through ABSS.
- 2.4.12. Review and validate open document listings quarterly.
- 2.4.13. Appoint CCM's in writing maintaining a copy of the appointment letter.
- 2.5. CCM: The cost center is the basic operations and maintenance production of the unit. The CCM's expertise is used to write justifications for unit's unfunded requirements. The CCM:
 - 2.5.1. Regulates the daily consumption of work hours, supplies, equipment, and services in doing tasks.
 - 2.5.2. Starts building the financial plan.
 - 2.5.3. Determines the validity of the financial plan as a whole and develops resource requirements and narrative justifications.
 - 2.5.4. Fosters daily awareness of the relationship between resources used and products produced.

3. FMC: The Financial Management Committee (FMC) consists of two-letter functionless serving as committee members with the Wing Commander or Vice Commander as chair. The FMC is considered the highest level committee concerning financial and resource management.

- 3.1. Reviews requirements for approved programs and activities to ensure balanced financial support throughout the 70 IW. The FMC is a vehicle for the senior leadership at the 70 IW to collectively make decisions concerning financial and resource management. The financial manager will schedule the FMC quarterly. The 70 IW/CC is the chairperson for the FMC. It is the chairperson's discretion as to the composition of the FMC but it must consist of all 70 IW Division Chiefs. Provide copies of slides prior to FMC to groups for comments or inputs. Afterwards, FM will provide copies of minutes to all Groups and two-letter staff officers.
- 3.2. Evaluates and lists in priority order all unfunded requirements.
- 3.3. Reviews and approves the distribution of annual budget and financial plans.
- 3.4. Reviews and approves spend plans.

4. FWG: The FWG consists of RAs and others if needed and functions as a fact-finding team that is subordinate to the FMC. The FWG reviews all financial plans, spend plans, and Unfunded Requirements (UFRs') priorities and makes recommendations to the FMC. The financial manager will schedule FWG at least once a month for effective FM. The 70 IW/FM is the chairperson for the FWG. It is the chairperson's discretion as to the composition of the FWG, and will be held at Wing and Group Staff level.

4.1. The FWG:

4.1.1. Acts as the commander's agent during the review of financial planning by analyzing requirements thoroughly and impartially.

4.1.2. Helps develop requirements for financial plans.

4.1.3. Represents their unit on budget matters to justify requirements and to provide impact statements.

4.1.4. Monitors spend plan execution and identifies overages and shortages in plan.

4.1.5. Recommends plan of action to the FMC.

5. Management Control (MC) Responsibilities:

5.1. Commander:

5.1.1. Use the annual Statement of Assurance to report compliance with the Federal Managers' Financial Integrity Act. MC systems should provide reasonable assurance that.

5.1.1.1. Obligations and costs comply with applicable law.

5.1.1.2. Personnel safeguard all assets against waste, loss, unauthorized use, and misappropriation.

5.1.1.3. Personnel properly record and account for funds used to operate the 70 IW.

5.1.1.4. Program and administrative functions follow applicable laws and policies.

5.2. Financial Manager: The financial manager acts as the program office of primary responsibility (OPR).

5.2.1. Prepares and maintains the MC Plan.

5.2.2. Ensures that MC evaluations meet the required documentation standards.

5.2.3. Instructs functional OPRs on the concept of MC evaluations and provides training on the MC program goals, policies, and procedures.

5.2.4. Ensures corrective actions are taken on material weaknesses.

5.2.5. Performs periodic quality control assessments of process and reporting.

5.3. RCM: Each directorate is responsible for their MC programs. The RCM:

5.3.1. Signs a Statement of Assurance to support the commander's annual statement.

5.3.2. Establishes MCs to meet program objectives.

5.3.3. Continuously monitors and improves the effectiveness of vital MC.

5.4. RA and CCM: The RAs and CCMs act as the functional OPR for the program within their function.

5.4.1. Ensures that MC program evaluations are performed completely, accurately, and adequately.

5.4.2. Closely coordinates with the Program OPR on all aspects of the function's MC program.

5.4.3. Actively follows up on and corrects MC weaknesses.

6. Participatory FM: A corporate approach to FM, which combines the efforts of the commander and supporting staff, is the most effective and efficient way to set priorities or to reduce, defer, or eliminate programs. This OI establishes the baseline structure so those financial managers at all levels can participate. Each financial manager must perform his/her responsibilities in a timely manner and communicate changes in requirements, missions, and programs through the FWG and FMC.

JAMES O. POSS, Colonel, USAF
Commander

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

AFPD 65-1, *Management of Financial Services*

Abbreviations and Acronyms

ABSS—Automated Business Service System

CB—Corporate Board

CCM—Cost Center Manager

FAST—Federal Automated Service of Travel

FM—Financial Management

FMC—Financial Management Committee

FWG—Financial Working Group

IMPAC—International Merchant Purchase Authorization Card

MC—Management Control

OPR—Office of Primary Responsibility

RA—Resource Advisor

RAP—Resource Advisor Panel

RCM—Responsible Center Manager

SCE—Service Cryptologic Elements

XP—Plans and Programs